INTERIOR APPROPRIATIONS/Off-Budget Agricultural Spending

SUBJECT: Department of the Interior and Related Agencies Appropriations Bill for fiscal year 1999 . . . S. 2237. Lugar motion to table the Harkin (for Daschle) amendment No. 3580.

ACTION: MOTION TO TABLE AGREED TO, 53-41

SYNOPSIS: As reported, S. 2237, the Department of the Interior and Related Agencies Appropriations Bill for fiscal year 1999, will provide \$13.658 billion in new budget authority, which is \$660 million less than requested. None of the funds in the bill will be used to implement actions called for solely under the Kyoto protocol (regarding so-called "greenhouse gases") prior to its ratification. More than \$8.23 billion will be generated from oil and gas leasing and other mineral leasing activities, from timber and range programs, and from oil production from the naval petroleum reserves.

The Harkin (for Daschle) amendment would eliminate the agricultural marketing assistance loan caps for the 1998 crop year and would make other changes to agricultural programs. All of the new spending proposed by the amendment (approximately \$7 billion) would be emergency spending (under the budget rules, emergency spending is not counted against the spending cap and it does not need to be offset). The amendment would not provide any offsets, so total Government spending would increase. The funding would come from the budget surplus that many Members and the President have said should be saved to reform and protect Social Security first. Provisions of the amendment are as follows: the caps on loan rates that were put into effect in the 1996 farm bill would be removed for the 1998 crop year; marketing assistance loans could be extended from 9 months to 15 months; the Secretary of Agriculture would be given authority to pay farmers to store their 1998 crops if he determined that such payments would facilitate marketing and alleviate burdens on transportation and marketing systems; \$1.5 billion would be provided to producers who had lost income due to disasters or due to any other reason; a pilot program would be implemented for price reporting in the livestock industry; protections from monopolistic practices in the livestock industry would be enacted; and country-of-origin labeling requirements would be enacted for meat and meat food products.

Debate was limited by unanimous consent. Senator Lugar moved to table the Harkin (for Daschle) amendment. Generally, those

(See other side)

YEAS (53)			NAYS (41)			NOT VOTING (6)	
Republicans Democrat (52 or 98%) (1 or 2%)		Democrats	Republicans (1 or 2%)	Democrats (40 or 98%)		Republicans Democrats	
		(1 or 2%)				(2)	(4)
Abraham Allard Ashcroft Bennett Bond Brownback Campbell Chafee Coats Cochran Collins Coverdell Craig DeWine Domenici Enzi Faircloth Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Stevens Thomas Thompson Thurmond Warner	Feingold	Burns	Akaka Baucus Biden Bingaman Boxer Breaux Bryan Bumpers Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feinstein Ford Glenn Graham Harkin	Inouye Johnson Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 267 SEPTEMBER 14, 1998

favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The debate today is very similar to the debate we had just 2 months ago (see vote No. 200). Our colleagues were right to be concerned then, and they are right to be concerned now, about the crisis situation in which so many American farmers find themselves. Over the past two months, a disastrous situation has only gotten worse. However, their solution, the removal of the marketing assistance loan caps and the extension of those loans, is no better today than it was in July.

The crisis in agriculture has two main causes. First, some sections of the country have had bad weather for several years in a row. The Dakotas have lost their crops due to inclement weather for each of the past 4 years, and some of the Southwest States have suffered through severe droughts. Even though there have been sustained regional disasters, agricultural production overall has increased in the United States. The supply of our corn crop, for example, is expected to be the second largest in our country's history, and the soybean crop will be the largest ever. The second main cause for the crisis is the sharp drop in demand for agricultural exports, particularly in Asian countries. That drop in demand has led to roughly a 10-percent total decline in demand for agricultural products in this country. With bumper crops being produced and a 10-percent drop in demand, prices have plummeted, which has made a grim situation deadly for farmers in those States that have had severe weather problems and thus very little crop production.

With this situation as background, we urge our colleagues to look at the effect that the Daschle amendment would have. Lifting the loan caps and extending the loans to 15 months would just give farmers false hope that the situation was improving. In reality, nothing would have been done to improve the market situation. Existing export markets would not have been stabilized; no new export markets would have been opened; no insurance reforms, tax reforms like income averaging, or other reforms would have been made that would have brought more certainty to farming; no efforts would have been made to increase the conservation reserve program; no agricultural research would have been funded that would have lowered production costs and thus increased export competitiveness; no protections against dumping would have been instituted. No, lifting the loan caps would just raise the price that the Government, in effect, would be willing to pay for a crop, and extending the loan duration would just encourage farmers to hold on to all or part of their crops until next year, hoping for a better price, when there is no valid reason not to expect yet another in a long series of bumper crops. Under this scenario, the Government would end up buying some crops at a price higher than the market price (and if it sold those crops prices would drop even more), and next year prices would be even more depressed because of the stored grain that the farmers would have left over from this year.

Rather than trying to control prices, the Federal Government should concentrate on passing reform measures that will bring more certainty to farming, that will lower costs, that will expand markets, and that will give protections to farmers when their regions have poor harvests, especially in consecutive years. In extreme situations, such as the current situation in the Dakotas, it makes sense also to provide emergency indemnity relief. If Democrats work with us on passing relief proposals that have bipartisan support we will be able to pass a substantial relief package before the end of this Congress. The Daschle amendment, though, has no chance of passing, because we Republicans firmly believe that it would only make a bad situation worse. Repeated votes on this matter will highlight partisan differences but will not accomplish anything. We urge the rejection of this amendment, and we again urge our colleagues to sit down with us to work out a bipartisan solution.

Those opposing the motion to table contended:

In 1996 Congress passed the Freedom to Farm Bill. We called that bill the "Freedom to Fail" bill because we thought that it removed the safety net from under America's family farmers. Our Republican colleagues tell us that farmers have received \$6 billion more in the past 3 years than they would have received under the safety nets of the old farm program, and they also tell us that agricultural producers get Loan Deficiency Payments in addition to their transition payments. However, those claims that we have an effective safety net ring hollow when we look at what is happening in agriculture this year. The Agriculture Department is predicting that the total drop in farm income for 1998 will be \$11 billion. Farm debt is at its highest level since the mid-1980s, and bankruptcies are climbing at an astronomical rate. The main, immediate threat to farming in America is that the farm bill in 1996 capped marketing assistance loans. In the big print, it claimed that loan rates would be at 85 percent of the 5-year average, with the high and low years discarded, but in the small print it put hard-and-fast limits for each crop. Our Republican colleagues have said that removing the caps would undo the reforms of that bill. We disagree. All of the true freedom-to-farm elements, such as the removal of planting restrictions, would remain. Further, any claim that this amendment would affect future planting decisions is false, because the amendment would only be in effect for 1 year. Also, for farmers who do not have any crops, it would provide emergency income support payments. This amendment is needed, and it is needed now. We urge our colleagues to support it.